

truth that the periodic course of trade is— with that fullness of precision of which an enquiry of this nature admits—practically identical with the interval between each returning stage of solar energy. The definite demonstration, from facts, of a recurrent trading revolution with a period of between ten and eleven years, appears to me to furnish conclusive ground, as I have elsewhere suggested, for basing our estimates of the average value of securities upon the variations which they have exhibited during a term of that duration.

In the Notices of the Eoyal Astronomical Society for 1916, I find that, although the chief period for the occurrence of sunspots is usually considered to be 11·125 years, the real period is probably near 11·5 years (as stated recently by a well-known astronomer), and the latter result is confirmed by a late investigation of the appearances from 1750 to 1899, which showed—

<i>In the Series</i>		<i>An Interval of</i>
1750—1899 . . .		11·538
years 1750—1824 . . .		11·
532 years 1824—1900 . . .		
11·329 years		

where the mean is about 11·48 years.

My doctrine thus seems to be fortified and conclusive— namely, that in ascertaining the values to be justly assigned to Stock Exchange investments at a stated epoch—where from the nature of the business (in the valuations of a Life Assurance Company, *e. g.*) we are clearly not concerned alone with the values of a particular day, but solely with the determination of the probable *average* values which include a reference to the prices of the future—the proper course is to base our estimates upon the average of the values of (say) the eleven years preceding the epoch in question. A value, thus obtained, is truly representative (in sound securities) and prophetic of the future, since it involves the normal vicissitudes of price which recurrently happen during a sunspot cycle. And, again, taking as an illustration, the valuations of the investments of a life assurance company, these assets are applicable to its claim-demands during the average future duration of its existing contracts, and hence it is obvious that the mode